



State of Wisconsin
**Wisconsin Deferred
Compensation Program**
FACT SHEET
As of December 31, 2003

The Wisconsin Deferred Compensation Program (WDC) is a supplemental retirement savings program authorized under Section 457 of the Internal Revenue Code (IRC). The WDC was created by Wisconsin Laws of 1981 Chapter 187 and established in 1982 for state employees; it has been available to local employers since 1985.

PROGRAM ADMINISTRATION

The Department of Employee Trust Funds (ETF) and the Deferred Compensation Board (Board) have statutory authority for program administration and oversight. The Board contracts for administrative services (marketing, record keeping, daily program administration) through a competitive bid process. Nationwide Retirement Solutions was selected to provide this service and is under contract through December 31, 2005.

The Board selects the investment options offered by the WDC and contracts directly with investment providers. The Board annually reviews the performance of the investment options offered to determine if they continue to meet established benchmarks. Options that are determined to be no longer acceptable may be removed from the WDC and new options may be added at any time.

FEATURES

MAXIMUM DEFERRAL - The maximum contribution to Section 457 plans is 100% of taxable income up to \$13,000 per year in 2004. The maximum limit for federal income tax purposes will increase by \$1,000 in each of the next two years and reach \$15,000 in 2006.

ACCOUNT FLEXIBILITY - The WDC allows participants to:

- Change the amount of their deferrals at any time.
- Redirect deferrals to other investment options offered by the WDC without restriction.
- Exchange existing account balances from one option to another subject to the excessive trading policy.
- Elect the Asset Allocation Service to provide automatic rebalancing of a participant's account balance based on an established asset allocation model.

PORTABILITY – Dollars from a traditional IRA, a 401(k) and a 403(b) can be rolled into the WDC and amounts distributed from the WDC can roll into a traditional IRA, a 401(k) and a 403(b) plan. Dollars rolled out of the WDC will be subject to the tax rules of the new plan.

PARTICIPANT SERVICES - Plan representatives are located in Madison and available to assist participants between 8:00 a.m. and 4:30 p.m. every workday of the year. A toll-free telephone number is also available for use by both participants and employers.

An automated voice response system is available for participants to obtain account information and execute transactions. An Internet site at <http://www.wdc457.org> is available to obtain program information, access personal account data and execute transactions on-line. Distribution of an itemized participant statement and newsletter occurs within 20 days of the end of each quarter.

DISTRIBUTION OPTIONS - At termination of employment, participants may defer receiving their account up to age 70½. Distribution options that are available include lump sum payments, partial lump sum payments, and periodic payments directly from the accumulation account.

PROGRAM COSTS

Participant fees and reimbursements from investment providers provide funding for program administration. State funds are not used for the administration of the WDC. Contracts with investment providers are negotiated to include certain reimbursements in consideration of the record keeping services being provided by the WDC through its contract administrator. The Board annually reviews administrative revenues and expenses and adjusts participant fees as necessary.

Annual participant fees, effective February 2000, are below.

If participant balance is between:	Fee per month / year is:
\$0 to \$5,000	\$.50 month/ \$6 year
\$5,001 to \$25,000	\$1.50 / \$18.00
\$25,001 to \$50,000	\$3.00 / \$36.00
\$50,001 to \$100,000	\$6.00 / \$72.00
\$100,001 to \$150,000	\$8.33/ \$100.00
\$150,001 and up	\$10.00/ \$120.00

STATISTICS AS OF DECEMBER 31, 2003

- 632 local government and school district employers (from approx. 1,000 eligible) have elected to offer the WDC to their employees.
- 40,593 employees participate in the program; 26,495 are state employees and 14,098 are employees of local and school district employers.
- The WDC offered seventeen investment options in the CORE spectrum in 2003. Participants may have an account with one or more of the available options. Participants also have more than 2,000 mutual fund choices available through the Schwab Personal Choice Retirement Account (PCRA), a self-directed brokerage option added to the WDC in 2000.

	<i># of Participant Accounts</i>	<i>Total Assets</i>
CALVERT SOC INV EQ FUND I	911	\$3,075,469
FDIC INSURED BANK OPTION	2,862	\$31,699,506
STABLE VALUE FUND	13,282	\$235,054,807
VANGUARD ADMIRAL -U.S. MONEY MARKET	3,544	\$26,944,278
FEDERATED U.S. GOVT BOND 2-5 YRS	3,595	\$16,269,894
VANGUARD LONG-TERM CORP BOND	8,787	\$44,090,399
U.S. DEBT INDEX FUND	1,723	\$4,846,241
VANGUARD WELLINGTON	14,553	\$129,623,891
VANGUARD INSTITUTIONAL INDEX - S&P 500	19,131	\$182,927,385
JANUS	20,312	\$138,877,177
FIDELITY CONTRAFUND	20,610	\$197,608,497
DREYFUS THIRD CENTURY	5,578	\$26,220,284
T ROWE PRICE MID CAP GROWTH	17,005	\$101,168,264
MID CAP EQUITY INDEX FUND	13,380	\$94,935,256
DFA U.S. 9-10 SMALL COMPANY FUND	4,471	\$18,058,677
T ROWE PRICE INTERNATIONAL STOCK	13,466	\$61,662,724
EAFE EQUITY INDEX FUND	1,690	\$3,213,370
SCHWAB PCRA	732	\$24,491,614
TOTAL	165,632 *	\$1,340,767,733

* The total number of participant accounts exceeds the number of participants as participants may invest in more than one investment option; average number of options per participant is four.